

**Exhibit 300 (BY2008)**

| PART ONE   |                                 |
|--|---------------------------------|
| OVERVIEW   |                                 |
| 1. Date of Submission:   | 2006-11-07                      |
| 2. Agency:   | 015                             |
| 3. Bureau:   | 45                              |
| 4. Investment Name:  | Enterprise Data Warehouse (EDW) |
| 5. UPI:  | 015-45-01-14-01-2220-00         |
| 6. What kind of investment will this be in FY2008?   |                                 |
| Mixed Life Cycle   |                                 |
| 7. What was the first budget year this investment was submitted to OMB?  |                                 |
| FY2004   |                                 |
| 8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.   |                                 |
| <p>EDW is an investment in the Control phase of the Treasury CPIC process re-selected by the MITS Enterprise Governance Committee (MEG) as part of the Annual Portfolio Selection Process. The system supports IRS employees within the BODs by providing the data and applications needed for specialized market segmentation for measuring and monitoring overall compliance with the tax laws, as well as compliance issue identification. By analyzing the data on EDW through market segmentation, the IRS can implement initiatives to improve tax compliance in one area that does not directly lead to a decrease in compliance in another area. Functional areas affected as a result of the analytical research performed using EDW include Forms and Publications, Legislative Affairs, Counsel, Taxpayer Service and traditional enforcement activities of Collection, Examination, and Criminal Investigation. In addition Congress, the Office of Management and Budget, the Treasury, the State Taxation Authorities, and the Bureau of Economic Analysis are interested in the results of EDW-based research. The system consists of current data extracted at various intervals from the Tax Master Files, Return Transactions Files, Payer Master File and the Information Returns Master Files residing on an IBM mainframe located at the Martinsburg Computing Center. This data is loaded into EDW housed at the Detroit Computing Center (DCC), linking all related information about a taxable entity in a relational format. EDW is the only IRS system that links all of these disparate files into a single source of information. Additional reports and views into the data will be created to satisfy the needs of a broader customer base. This will enable the IRS to retire some outdated legacy system programs that currently perform these functions against the IRS Master Files. In FY 2007 EDW changed data sources from the Return Transaction File to the Taxpayer Return Database. The Taxpayer Return Database is the file where all the tax returns will be stored including those that were electronically filed. Since the volume of data will increase with the electronically filed returns additional storage is needed to house this in EDW.</p> |                                 |
| 9. Did the Agency's Executive/Investment Committee approve this request?   |                                 |
| yes  |                                 |
| 9.a. If "yes," what was the date of this approval?   |                                 |
| 2006-08-09   |                                 |
| 10. Did the Project Manager review this Exhibit?   |                                 |
| yes  |                                 |
| 11. Project Manager Name:  |                                 |
| Taylor, Sheryl   |                                 |
| Project Manager Phone:   |                                 |
| 202-283-5066   |                                 |
| Project Manager Email:   |                                 |
| Sheryl.M.Taylor@irs.gov  |                                 |
| 12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.  |                                 |
| no   |                                 |
| 12.a. Will this investment include electronic assets (including computers)?  |                                 |

|  |    |
|--|----|
| yes  |    |
| 13. Does this investment support one of the PMA initiatives?   |    |
| no   |    |
| 14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?   |    |
| no   |    |
| 15. Is this investment for information technology (See section 53 for definition)?   |    |
| yes  |    |
| 16. What is the level of the IT Project (per CIO Council's PM Guidance)?   |    |
| Level 2  |    |
| 17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)  |    |
| (1) Project manager has been validated as qualified for this investment  |    |
| 18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?   |    |
| yes  |    |
| 19. Is this a financial management system?   |    |
| no   |    |
| 20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)   |    |
| Hardware   | 11 |
| Software   | 8  |
| Services   | 81 |
| Other  | 0  |
| 21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?   |    |
| no   |    |
| 22. Contact information of individual responsible for privacy related questions.   |    |
| Name   |    |
| Donna McCarthy   |    |
| Phone Number   |    |
| 202-283-3871   |    |
| Title  |    |
| Chief, EDW Project Support and Data Extract Section  |    |
| Email  |    |
| Donna.McCarthy@irs.gov   |    |
| 23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?  |    |
| no   |    |
| <b>SUMMARY OF SPEND</b>  |    |
| 1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report. |    |
| All amounts represent Budget Authority   |    |
| (Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)   |    |

|                                 | PY-1 & Earlier | PY    | CY   |
|---------------------------------|----------------|-------|------|
|                                 | -2005          | 2006  | 2007 |
| Planning Budgetary Resources    | 16.560         | 0.000 |      |
| Acquisition Budgetary Resources | 21.770         | 0.000 |      |
| Maintenance Budgetary Resources | 7.420          | 2.350 |      |
| Government FTE Cost             | 47.080         | 4.603 |      |
| # of FTEs                       | 42             | 44    |      |

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

### PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

|   | Fiscal Year | Strategic Goal(s) Supported   | Performance Measure  | Actual/baseline (from Previous Year)                                      | Planned Performance Metric (Target)   | Performance Metric Results (Actual)  |
|---|-------------|---|--|---|---|--|
| 1 | 2004        | Treasury Strategic Goal: Manage the U.S. Government's Finances Effectively. IRS Strategic Goal: Enhance Enforcement of the Tax Law. | The customers require additional data elements and quarterly updates to the database to effectively identify potential initiatives to treat compliance problems. EDW IFM/BFM will continue to meet the baseline and increase the information available by updating existing account information to 2.5 terabytes of data. Quarterly updates will be performed. | Annual updates are performed on a baseline of 2.0 terabytes of data       | Measure the data volume increase quarterly using Oracle monitoring tools.                 | Oracle monitoring tools verified the increase of data from 2.0 to 2.5 terabytes.     |
| 2 | 2004        | Treasury Strategic Goal: Manage the U.S. Government's Finances Effectively. IRS   | Current and new customers require access to EDW IFM/BFM to measure and monitor overall compliance with the   | The existing 300 employee user base consists mainly of Research analysts. | Measure the increase in active users monthly by monitoring the user ids issued by the DCC | Active users increased to 350 and verified through the 5081 applications approved by |

|   |      |   |  |  |  |  |
|---|------|---|--|--|--|--|
|   |      | Strategic Goal: Enhance Enforcement of the Tax Law.   | tax law. EDW IFM/BFM will continue to meet the baseline to provide access capability to the existing internal customers while expanding the customer user base by an additional 50 users.  |  | operations staff and EDW IFM/BFM interface administrators.   | MCC/DCC.   |
| 3 | 2005 | Treasury Strategic Goal: Manage the U.S. Government's Finances Effectively. IRS Strategic Goal: Enhance Enforcement of the Tax Law. | The customers require additional data elements and quarterly updates to the database to effectively identify potential initiatives to treat compliance problems. EDW IFM/BFM will continue to meet the baseline and increase the information available by updating existing account information to 3.0 terabytes. Quarterly updates will be performed. | Annual updates are performed on a baseline of 2.5 terabytes of data.               | Measure the data volume increase quarterly using Oracle monitoring tools.  | Oracle monitoring tools verified the increase of data from 2.5 to 3.0 terabytes.     |
| 4 | 2005 | Treasury Strategic Goal: Manage the U.S. Government's Finances Effectively. IRS Strategic Goal: Enhance Enforcement of the Tax Law. | Current and new customers require access to EDW IFM/BFM to measure and monitor overall compliance with the tax law. EDW IFM/BFM will continue to meet the baseline to provide access capability to the existing internal customers while expanding the customer user base by an additional 50 users.   | The existing 350 employee user base consists mainly of Research and LMSB analysts. | Measure the increase in active users monthly by monitoring the user ids issued by the DCC operations staff and EDW IFM/BFM interface administrators. | The latest pull of EDW Users showed 400 employees with user ids to the system.       |
| 5 | 2006 | Treasury Strategic Goal: Manage the U.S. Government's Finances Effectively. IRS Strategic Goal: Enhance Enforcement of the Tax Law. | The customers require additional data elements and monthly updates to the database to effectively identify potential initiatives to treat compliance problems. EDW will continue to meet the baseline and increase the information available by updating existing account information by 25%. Monthly updates will be performed.                       | Annual updates are performed on the existing baseline.                             | Measure the data volume increase monthly using Oracle monitoring tools.  | EDW has initiated the loading of the latest data, so no metric exists for expansion. |
| 6 | 2006 | Treasury Strategic Goal: Manage the U.S. Government's Finances  | Current and new customers require access to EDW to measure and monitor overall compliance  | The existing 400 employee user base consists mainly of Research, SB/SE, and LMSB   | Measure the increase in active users monthly by monitoring the user ids issued by  | The latest report shows 450 EDW users, but the expansion of data to be               |

|   |      |   |  |  |  |  |
|---|------|---|--|--|--|--|
|   |      | Effectively. IRS Strategic Goal: Enhance Enforcement of the Tax Law.  | with the tax law. EDW will continue to meet the baseline to provide access capability to the existing internal customers while expanding the customer user base by 25%.  | analysts.  | the DCC operations staff and EDW interface administrators.   | delivered in September 2006 will increase the user base. |
| 7 | 2007 | Treasury Strategic Goal: Manage the U.S. Government's Finances Effectively. IRS Strategic Goal: Enhance Enforcement of the Tax Law. | The customers require additional data elements and monthly updates to the database to effectively identify potential initiatives to treat compliance problems. EDW will continue to meet the baseline and increase the information available by updating existing account information by 25%. Monthly updates will be performed. | Annual updates are performed on the existing baseline.                                     | Measure the data volume increase monthly using Oracle monitoring tools.  | -  |
| 8 | 2007 | Treasury Strategic Goal: Manage the U.S. Government's Finances Effectively. IRS Strategic Goal: Enhance Enforcement of the Tax Law. | Current and new customers require access to EDW to measure and monitor overall compliance with the tax law. EDW will continue to meet the baseline to provide access capability to the existing internal customers while expanding the customer user base by 25%.  | The existing 500 employee user base consists mainly of Research, SB/SE, and LMSB analysts. | Measure the increase in active users monthly by monitoring the user ids issued by the DCC operations staff and EDW interface administrators. | -  |

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at [www.egov.gov](http://www.egov.gov).

Table 2

| Fiscal Year | Measurement Area | Measurement Grouping | Measurement Indicator | Baseline | Planned Improvement to the Baseline | Actual Results |
|-------------|------------------|----------------------|-----------------------|----------|-------------------------------------|----------------|
|-------------|------------------|----------------------|-----------------------|----------|-------------------------------------|----------------|

## EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

Enterprise Data Warehouse (EDW)

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

|   | Agency Component Name         | Agency Component Description   | Service Type    | Component                     | Reused Component Name | Reused UPI | Internal or External Reuse? | Funding % |
|---|-------------------------------|--|-----------------|-------------------------------|-----------------------|------------|-----------------------------|-----------|
| 1 | Extraction and Transformation | EDW extracts and transforms taxpayer and tax account data from various IRS systems.                  | Data Management | Extraction and Transformation |                       |            | No Reuse                    | 25        |
| 2 | Loading and Archiving         | EDW loads taxpayer and tax account data from various IRS systems into a common data store.           | Data Management | Loading and Archiving         |                       |            | No Reuse                    | 25        |
| 3 | OLAP                          | EDW provides data for Online Analytical Processing.  | Reporting       | OLAP                          |                       |            | No Reuse                    | 25        |
| 4 | Data Warehouse                | EDW store taxpayer and tax account data from various IRS systems to be used for analytical purposes. | Data Management | Data Warehouse                |                       |            | No Reuse                    | 25        |

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

|   | SRM Component                 | Service Area                        | Service Category     | Service Standard                   | Service Specification (i.e., vendor and product name) |
|---|-------------------------------|-------------------------------------|----------------------|------------------------------------|---|
| 1 | Extraction and Transformation | Service Access and Delivery         | Service Transport    | Service Transport                  | EMC Symmetrix InfoMover                               |
| 2 | Loading and Archiving         | Service Interface and Integration   | Integration          | Enterprise Application Integration | Informatica Data Integration Software                 |
| 3 | Extraction and Transformation | Component Framework                 | Business Logic       | Platform Independent               | Informatica Data Integration Software                 |
| 4 | Loading and Archiving         | Service Platform and Infrastructure | Database / Storage   | Database                           | Oracle 9i   |
| 5 | Data Warehouse                | Service Platform and Infrastructure | Software Engineering | Software Configuration Management  | Rational Clear Case                                   |
| 6 | Data Warehouse                | Service Platform and Infrastructure | Software Engineering | Test Management                    | Custom code   |
| 7 | OLAP                          | Service Interface and Integration   | Interface            | Service Description / Interface    | Custom code   |
| 8 | OLAP                          | Component Framework                 | Data Management      | Reporting and Analysis             | Business Objects                                      |
| 9 | Data Warehouse                | Component Framework                 | Security             | Supporting Security Services       | Custom code   |

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

5.a. If yes, please describe.

No, the EDW will not leverage existing components across the Government, but it will take advantage of the employee portal created within the IRS for its internal web applications. EDW will also leverage the work being done on the security architecture to ensure that all logs and auditable activities are captured.

6. Does this investment provide the public with access to a government automated information system?

no

## PART TWO

### RISK

*You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.*

*Answer the following questions to describe how you are managing investment risks.*

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2006-10-20

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)

Both budget and schedule are developed based on information provided in the Risk plan. Time is allocated to ensure that all risks are planned for and that sufficient resources are available to mitigate their occurrence. Budget is requested to cover Hardware/Software upgrades and technical expertise.

| COST & SCHEDULE   |
|---|
| <i>Does the earned value management system meet the criteria in ANSI/EIA Standard 748?</i>    |
| no  |
| <i>What costs are included in the reported Cost/Schedule Performance information?</i>         |
| Contractor and Government   |
| <i>2.e. As of date:</i>   |
| 2006-09-30  |
| <i>8. Have any significant changes been made to the baseline during the past fiscal year?</i> |
| no  |
|   |